



January 7, 2004

Mr. Fazi Pourhosseini
Department of General Services
Real Estate Service Division
707 3rd Street, Suite 4-105
West Sacramento, California 95605

**Subject: Letter Report of Regulatory File Review
Harbor-Fair Texaco Service Station
2502 Harbor Boulevard
Costa Mesa, California
MACTEC Project 4953-04-2802**

Dear Mr. Pourhosseini:

MACTEC Engineering and Consulting, Inc. (MACTEC) is pleased to present this Letter Report of Regulatory File Review for the Harbor-Fair Texaco Service Station located at 2502 Harbor Boulevard, Costa Mesa, California. This regulatory file review was performed on December 6, 2004 in general accordance with our request for authorization, supplemental services letter dated June 16, 2004, MACTEC Project No. 4953-04-2801, and authorized by you on November 15, 2004. This letter report includes background information, purpose and scope of services, description of work and our findings.

BACKGROUND INFORMATION

As part of due diligence efforts, MACTEC conducted a Phase I Environmental Site Assessment (MACTEC Project No. 4953-04-2801 dated October 27, 2004) of the surplus property (subject site) located at the northwest corner of Harbor Boulevard and Fair Drive, Costa Mesa, California. Our regulatory review of surrounding properties indicated that the Harbor-Fair Texaco Service Station (listed facility) was identified as a potential recognized environmental risk relative to the subject site and that further review of available regulatory documents was warranted. Based on the site and vicinity map provided in our Phase I ESA, the Harbor-Fair Texaco Service Station is located approximately 150 to 175 feet southeast of the southeastern corner of the subject site.

PURPOSE AND SCOPE OF SERVICES

The purpose of our services was to obtain information on the identified Listed Facility which is contained in the respective regulatory files. Our scope of services included scheduling appointments with the appropriate or indicated regulatory agencies for review of the specified incident files, and visiting the regulatory agencies and reviewing milestone reports in the file such as Comprehensive Site Assessments and Corrective Action Plans, as well as the most recently

submitted ground-water monitoring or soil remediation reports. This report summarizes the findings of our regulatory file review. Our scope of services did not include an evaluation of the environmental activities conducted by others or their conclusions.

FILE REVIEW

MACTEC personnel reviewed regulatory files related to the Harbor-Fair Texaco Service Station (Listed Facility) at the Santa Ana Regional Water Quality Control Board (SARWQCB) in Riverside, California.

The reports MACTEC reviewed included the following:

- *KCE Matrix Consulting Engineers, 2004, Monitoring and Sampling Report, KCE-98127-QR15 dated April 8, 2004.*
- *KCE Matrix Consulting Engineers, 2004, Letter to the Orange County Health Care Agency, Division of Environmental Health, Harbor-Fair Texaco, dated March 26, 2004.*
- *KCE Matrix Consulting Engineers, 2004, Letter to the Orange County Health Care Agency, Division of Environmental Health, Harbor-Fair Texaco, dated March 2, 2004.*
- *Orange County Health Care Agency, Division of Environmental Health, 2004, Letter to KCE Matrix Consulting Engineers, OCHCA Case # 91UT1, dated February 2, 2004.*
- *KCE Matrix Consulting Engineers, 2004, Subsurface Environmental Site Assessment Work Plan, KCE-98127-WP, dated January 22, 2004.*
- *KCE Matrix Consulting Engineers, 2004, Monitoring and Sampling Report, KCE-98127E-QR1, dated October 30, 2004.*
- *Orange County Health Care Agency, Division of Environmental Health, 2003, Letter to KCE Matrix Consulting Engineers, OCHCA Case # 91UT156, dated October 15, 2003.*
- *KCE Matrix Consulting Engineers, Letter Notification of Well Abandonment and UST/Dispenser Island Removal, dated October 14, 2003.*
- *KCE Matrix Consulting Engineers, 2003, Monitoring and Sampling Report, KCE-98127E-QR1, dated September 30, 2003.*
- *KCE Matrix Consulting Engineers, 2003, Subsurface Environmental Site Assessment Report, KCE-98127E-R4, dated August 17, 2003.*
- *KCE Matrix Consulting Engineers, 2003, Monitoring and Sampling Report, KCE-98127-QR12, dated July 7, 2003.*
- *KCE Matrix Consulting Engineers, 2003, Monitoring and Sampling Report, KCE-98127E-QR11, April 4, 2003.*
- *KCE Matrix Consulting Engineers, 1999, Quarterly Monitoring and Sampling Report, KCE-98127E-QR7, dated March 23, 1999.*
- *KCE Matrix Consulting Engineers, 1999, Corrective Action Plan, KCE-98127E-WP3, dated February 24, 1999.*

- *KCE Matrix Consulting Engineers, 1999, Quarterly Monitoring and Sampling Report, KCE-98127E-QR6, dated February 17, 1999.*
- *KCE Matrix Consulting Engineers, 1999, Pilot Vapor Extraction Test Report, KCE-98127E-R3, dated July 29, 1999.*
- *KCE Matrix Consulting Engineers, 1999, Quarterly Monitoring and Sampling Report, KCE-98127E-QR8, dated July 6, 1999.*
- *KCE Matrix Consulting Engineers, 1998, Subsurface Site Assessment and Quarterly Monitoring and Sampling Report, KCE-98127E-R2/QR5, dated October 16, 1998.*
- *KCE Matrix Consulting Engineers, 1998, Quarterly Monitoring and Sampling Report, KCE-98127E-QR4, dated September 10, 1998.*
- *KCE Matrix Consulting Engineers, 1999, Pilot Vapor Extraction Test Work Plan, KCE-98127E-WP2, dated July 23, 1998.*
- *KCE Matrix Consulting Engineers, 1999, Subsurface Environmental Site Assessment Work Plan, KCE-98127E-WP1, dated June 9, 1998.*
- *Innovative Environmental Technologies, 1998, Subsurface Environmental Site Assessment and Quarterly Monitoring and Sampling Report, IET-94-0509-R1/QR1, dated January 8, 1998.*

As required by the SARWQCB, the reproduction of available data must be out-sourced to an outside copy service. Therefore, we did not obtain copies of reports, maps, and figures during file review.

In addition to reviewing files, MACTEC contacted the regulatory site manager, Ms. Arghavan Rashidi-Fard, Hazardous Waste Specialist with the Orange County Health Care Agency (OCHCA) Department of Environmental Health on December 7, 2004 to discuss the current status of the Harbor-Fair Texaco Service Station. Ms. Rashidi-Fard was unable to provide detailed information regarding the current status of the service station at the time of our discussion.

FINDINGS

Several reports were available for review of the Listed Facility that involved current and past soil and ground-water investigations, monitoring reports and remediation work plans of the facility. Based on the historical information provided in the reports, the facility has had documented unauthorized release of petroleum hydrocarbons into the subsurface soils and ground water. The Listed Facility is currently under the jurisdiction of the OCHCA and is monitored by the SARWQCB. Documents reviewed indicate that subsurface petroleum hydrocarbons were initially discovered during the removal of one 4,000-gallon diesel underground storage tank (UST), one 280-gallon waste oil tank, and diesel dispenser-island in 1991. Petroleum hydrocarbons detected included total recoverable petroleum hydrocarbons (TRPH), total petroleum hydrocarbons as diesel (TPH-d) and benzene, toluene, ethylbenzene, and xylene (BTEX) compounds.

Subsequent subsurface investigations in 1995, 1997, 1998, and mid-2003 indicated detectable concentrations of petroleum hydrocarbons in the form of the above listed constituents and, in addition, total petroleum hydrocarbons as gasoline (TPH-g), some Volatile Organic Carbons

(VOCs), and fuel oxygenates including Methyl-Tert-Butyl-Ethyl (MTBE) in soil and ground water were detected.

A total of 10 ground-water monitoring wells and four soil vapor extraction wells were installed during the various investigations. Currently only nine monitoring wells (MW-2 through MW10) are sampled and monitored on a quarterly basis as one well (MW-1) was destroyed in October 2003. Available ground-water monitoring reports at the SARWQCB date back from approximately 1998 to the present.

Review of the ground-water monitoring and sampling reports indicate that the depth to ground-water has not varied significantly from approximately 70 to 75 feet below the ground surface from 1995 through the present, with a gradient toward the north-northeast. In July 1999, however, ground water contours did show a gradient toward the northwest, although KCE Matrix Consulting Engineers (KCE) depicted the gradient toward the northeast.

In December, 2003, three gasoline USTs and four gasoline dispenser islands were removed from the facility. The USTs were located in the general vicinity of the former diesel UST, near the intersection of Harbor Boulevard and Fair Drive, while the dispenser islands were located near the western perimeter of the facility along Harbor Boulevard.

According to the Soil Pilot Vapor Extraction Test Report by KCE in 1999, excavating and removing petroleum impacted soils beneath the site was reported to be unfeasible due to the depth of impaction which was between 28 to 40 feet bgs and as deep as 60 feet bgs. However, petroleum hydrocarbons could be extracted from the subsurface using soil vapor extraction technologies. In addition, however, comments by the OCHCA in 1999 on the CAP, the ground-water contamination plume has not been delineated and that more ground-water monitoring wells needed to be installed. There are no available reports at the RWQCB that indicate more wells have been installed since Spring 2004.

Review of the ground-water sampling and monitoring reports show significant levels of TPH-g, MTBE and Benzene throughout the sampling and monitoring periods. Detectable concentrations of petroleum hydrocarbons are shown in wells near the western perimeter along Harbor Boulevard and to the north in off-site wells.

Although, the ground-water gradient has consistently been toward the north-northeast, cross-gradient of the subject site, in 1999 ground-water contours indicated a northwestern component toward the subject site. Therefore, in combination with the undefined petroleum hydrocarbon plume (as stated by the OCHCA) and the distance of the facility from the southeastern tip of the subject site, the Harbor-Fair Texaco Service Station is considered, in our opinion, a recognized environmental condition. Until the ground-water contamination plume is delineated, west of the facility, the southeastern limit of the subject site remains potentially at risk to subsurface contamination from the off site Listed Facility.

Based on this information we plan to drill one exploratory boring on the subject site in the southwestern corner of the property to assess soil and ground water for potential petroleum hydrocarbons constituents related to the Listed Facility. This work is to be completed in conjunction with the limited Phase II ESA of the subject site already authorized. We anticipate that the exploratory boring can be drilled with a hollow-stem augur to an estimated depth of 70 to 80 feet bgs, the anticipated depth of ground water, to retrieve the ground-water sample.

January 7, 2004

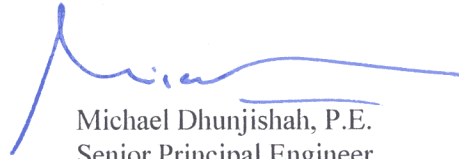
We appreciate the opportunity to provide our environmental services. If you have any questions concerning this letter report, please contact us.

Sincerely,

MACTEC ENGINEERING AND CONSULTING, INC.



Gregory Sena
Project Geologist



Michael Dhunjishah, P.E.
Senior Principal Engineer

(2 copies submitted)

P:\70131 GEOTECH\2004-PROJ\42802 (RESID - FILE REVIEW & LTD PHASE II ESA)\042802_FILE_REVIEW_R01.DOC\GS:cam